

# Controller *John Chiang*

## California State Controller's Office



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## Reporting Aggregate Properties

**Reminder: Effective July 1, 2014, Assembly Bill (AB) 212, Chapter 362, Statutes of 2013, changed the threshold for aggregate reporting from \$50 to \$25.**

The Unclaimed Property Law and Regulations require all holders of unclaimed property valued at \$25 or greater to include in their report to the Controller, the name, last known address of the apparent owner(s), and any other account number or identifying information available, including a Social Security number (SSN) or taxpayer identification number, if this information is contained in the records of the holder. The only properties exempt from this requirement are traveler's checks and money orders.

Holders of unclaimed property valued at less than \$50 are exempt from the general requirement to send due diligence notices to owners prior to escheating property to the Controller. However, holders can voluntarily provide notice to property owners even if the property is under \$50.

### **Aggregate Reporting of Properties Valued Under \$25**

For properties valued under \$25, we strongly encourage you to provide the same owner and property information as required on properties with a value over \$25. With today's electronic customer and vendor record-keeping systems, this information is often readily available to the holder. Many of today's unclaimed property software reporting systems allow for the reporting of detailed information by setting the detailed property reporting information to a value of zero or an amount under \$25. Providing this information assists us in returning these smaller-valued properties to the rightful owners and reduces the need for future interaction between the State Controller's Office (SCO) and the holder during the claim process.

### **What if I submitted an off-cycle report?**

If you filed a Holder Notice Report prior to July 1, 2014, and the corresponding Holder Remit Report is due after July 1, 2014, you will only be required to provide detailed owner information for properties valued at \$50 or greater. However, all future reports will be subject to the requirements of the new law. To view AB 212 please [click here](#).

If you have additional questions, please contact the Outreach and Compliance Unit at (916) 464-6088 or email at [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov).

# Properly Reporting Safe Deposit Box Property

The Unclaimed Property Law requires holders reporting safe deposit box properties to provide a description of the safe deposit box contents. The Safe Deposit Unit is seeking to improve the uniformity and accuracy of the property descriptions provided by holders.

The following sections illustrate examples of poor or incomplete reporting descriptions, as well as suggestions for best practice descriptions. Your cooperation in adhering to these examples will assist the Safe Deposit Unit in accurately identifying all items contained in a safekeeping property.

## Property Reported Without Item Details

Detailed descriptions of the safe deposit box contents are required in the Holder Remit Report. When reporting electronically, you must enter all safe deposit box content details into the electronic report. Do not indicate “See inventory.”

INCOMPLETE DESCRIPTION
Box Contents
SEE INVENTORY

BEST PRACTICE DESCRIPTIONS
Box Contents
3 ENVELOPES
2 FOREIGN CURRENCY
1 GOLD TONE PIN

## Listing Contents of a Container Separately from the Container Description

You should list the safe deposit box contents of a container as a single entry. It is difficult to verify property when the description does not clearly state that the items are inside a container. Please identify the container and the contents of the container, in that order.

POOR DESCRIPTIONS
Box Contents
7 INSURANCE DOCUMENTS
2 BUSINESS CARDS
BI FOLD LEATHER LOOKING INSURANCE FOLDER CONTAINED ABOVE ITEMS

BEST PRACTICE DESCRIPTIONS
Box Contents
BI FOLD LEATHER LOOKING INSURANCE FOLDER CONTAINING 7 INSURANCE DOCUMENTS & 2 BUSINESS CARDS

### Using MISC for all Category Type Codes

Please do not use the Miscellaneous Items of Value (MISC) code if the safe deposit box contents can be categorized to one of the other forty-four codes found in the Tangible Type Codes section of the [Holder Handbook](#). Providing this information ensures all items are accurately accounted for during the inventory process.

POOR DESCRIPTIONS	
Box Contents	Category Type Code
3 YELLOW RINGS WITH CLEAR STONES	MISC
12 YELLOW METAL HOOP EAR-RINGS	MISC
9 QUARTERS	MISC

BEST PRACTICE DESCRIPTIONS	
Box Contents	Category Type Code
3 YELLOW RINGS WITH CLEAR STONES	RING
12 YELLOW METAL HOOP EARRINGS	EARR
9 QUARTERS	COIN

### Inventory Line Numbers Entered Into the Description

Please do not include inventory line numbers in the item description. Doing so may be misleading as items appear to be missing. The Safe Deposit Unit's inability to properly identify all items could result in a missing item letter. In the event of missing item(s), the holder will not be legally indemnified until the status of the missing item(s) is resolved.

POOR DESCRIPTIONS
Box Contents
16 LANCOME MIRROR
17 METAL MONEY CLIP
18 2 YELLOW METAL RINGS

BEST PRACTICE DESCRIPTIONS
Box Contents
1 LANCOME MIRROR
1 METAL MONEY CLIP
2 YELLOW METAL RINGS

### Combining Unrelated Items Into a Single Description

You should separate multiple items into individual entries to help clearly indicate where one item ends and the next begins. This will also reduce the chance of text in the description field being cut-off.

POOR DESCRIPTIONS
Box Contents
10 COMMEMORATIVE YELLOW MET COINS 3 WHITE ENVELOPES 6 STAMPS

BEST PRACTICE DESCRIPTIONS
Box Contents
10 COMMEMORATIVE YELLOW METAL COINS
3 WHITE ENVELOPES
6 STAMPS

If you have additional questions, please contact the Safe Deposit Unit at (916) 464-0783 or [upsafekeeping@sco.ca.gov](mailto:upsafekeeping@sco.ca.gov).

## Holder Remit Report Interest Assessments

To avoid penalties and interest, holders must submit the Holder Remit Report to the SCO between June 1<sup>st</sup> and June 15<sup>th</sup>, and for life insurance companies, between December 1<sup>st</sup> and December 15<sup>th</sup>. The Holder Remit Report must include remittance **and** delivery of all cash and/or securities that remain unclaimed at the time the Holder Remit Report is due.

If the entire Holder Remit Report, and/or remittance, or a portion thereof, was not filed within the time prescribed by law, interest at 12% per annum will be assessed in accordance with Code of Civil Procedure (CCP) section 1577. There are three billing types associated with the remit season. They are as follows:

- **Holder Remit Report Billing** – The Holder Remit Report is received after due date
- **Remittance Billing** – Property is remitted after due date
- **No Remit Report Billing** – Holder does not submit a Holder Remit Report

### Interest Calculations for Remit Report Billings and Remittance Billings

Interest calculations are automatically generated at a rate of 12% per annum, multiplied by the property value remitted in the Holder Remit Report and the number of days the report is late. Security properties (stocks, mutual funds, etc.) will be valued at the opening bid quote on the interest assessment date of the reporting year the property was due.

### Interest Calculations for No Remit Report Billings

Property values will be calculated based on the Holder Notice Report in the absence of the Holder Remit Report. If all property is claimed, a Negative Holder Remit Report (also referred to as Nil) must still be submitted to prevent a No Remit billing.



#### **Example:**

The Holder Remit Report, for the total property amount of \$5,000 reported in the Holder Notice Report on October 31, 2013, was due on June 15, 2014. However, the Holder Remit Report is not received until December 10, 2014.

The late report will accrue interest as follows:

- Daily interest rate @ 12% per annum =  $(0.12) / (365 \text{ days}) = 0.0003287671$
- Property value = \$5,000
- Daily interest rate =  $(\$5,000) \times (0.0003287671) = \$1.64384$
- Number of days late =  $(12/10/2013) - (06/15/2013) = 178 \text{ days}$
- Total Interest Due =  $(\$1.64384) \times (178 \text{ days}) = \$292.60$

If you have additional questions, please contact the 1577 Interest Assessment Unit at (916) 464-6092 or email at [1577info@sco.ca.gov](mailto:1577info@sco.ca.gov).

## Holder's Claim for Reimbursement

When is a holder entitled to a reimbursement? If a holder reimburses a reported owner after the property has been remitted to the SCO, the SCO will reimburse the holder after the filing of a complete and proper holder claim for reimbursement. The holder is also entitled to a reimbursement if the property was escheated to the SCO in error.

The SCO will process the holder's claim for reimbursement after the Holder Remit Report has been uploaded and reconciled by the SCO. To enable processing, the holder must complete the request as described below:

- Include a Holder's Claim for Reimbursement (HCR-1) form signed by an authorized agent. The HCR-1 form is located at [http://www.sco.ca.gov/Files-UPD/form\\_rptg\\_hcr-1.pdf](http://www.sco.ca.gov/Files-UPD/form_rptg_hcr-1.pdf). Instructions for completing the form are listed on page 2 of the form.
- All HCR-1 forms must contain the authorized agent's original signature.
- A separate claim form is required for each report year in which a reimbursement is being requested. Page 3 of the HCR-1 form allows holders to claim numerous properties on one claim form.
- Handwritten or faxed forms are not acceptable.
- All HCR-1 forms for \$1,000.00 or greater must be notarized.
- All reimbursement requests for securities must be notarized.
- All requests must be accompanied with a "Letter of Authorization." The letter must be on the holder's business letterhead and signed by an officer of the business. The Letter of Authorization must contain the name of each individual authorized to claim on behalf of the holder; an agent cannot authorize themselves.
- Proof of payment as prescribed in CCP section 1560(b) must be included. Examples are included on page 2 of the HCR-1 form.
- A copy of the Universal Holder Face Sheet (UFS-1) form and a copy of the property detail sheet showing the owner's name and account will help facilitate the processing of the claim.
- All documents should be mailed to the following address:

California State Controller's Office  
John Chiang, California State Controller  
Unclaimed Property Division  
P.O. Box 942850  
Sacramento, CA 94250-5873

For more information please refer to Holder Reimbursement Request section in the [Holder Handbook](#). You may also contact Colette Fehringer at (916) 464-6278 or [CFehringer@sco.ca.gov](mailto:CFehringer@sco.ca.gov).



## 2012/2013 Owner Reunification Efforts

In Fiscal Year 2012-13, the SCO and holders of unclaimed property have made it possible to reunite 291,900 properties totaling \$205 million to California owners! Other significant efforts include:

- The SCO mailed approximately 1.16 million owner notices; and,
- 3.2 million new properties were added to the SCO website from Holder Remit Reports.



### We're Here to Help

Representatives of the Outreach and Compliance Unit (OCU) are available for site visits and to attend your business events and webinars to provide an overview of the Unclaimed Property Law and mandated reporting requirements. To request a site visit or our participation at an upcoming event, please contact the OCU at (916) 464-6088 or [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov).

To view our upcoming events, as well as past events, visit our Events Page, available at [http://www.sco.ca.gov/upd\\_events.html](http://www.sco.ca.gov/upd_events.html).

### Information Change?

If you have changed the name of your business, please notify the SCO. Simply include a letter with your Holder Notice or Remit Report that identifies the business' new name and all past names. The reporting of holder name changes and all predecessor holder prior known names and addresses is required as well. In addition, you should include updates to addresses and/or phone number. We will update our records with the information provided.

If you have additional questions, please contact the Outreach and Compliance Unit at (916) 464-6088 or [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov).



## Important Upcoming Dates

**Before November 1:** Holder Notice Reports due

**December 1 - 15:** Holder Remit Reports Due for life insurance companies



## Contact Us

**California State Controller's Office  
Unclaimed Property Division  
10600 White Rock Road, Suite 141  
Rancho Cordova, CA 95670  
[www.sco.ca.gov](http://www.sco.ca.gov)**

Reporting Assistance: (916) 464-6284

Claims Assistance: (800) 992-4647

(outside USA): (916) 323-2827

1577 Interest Assessment Unit: (916) 464-6092  
(for CA CCP §1577 inquiries)  
[1577info@sco.ca.gov](mailto:1577info@sco.ca.gov)

Outreach and Compliance Unit: (916) 464-6088  
[UPDcompliance@sco.ca.gov](mailto:UPDcompliance@sco.ca.gov)

Questions regarding securities: (916) 464-7123  
[UPDSecRecon@sco.ca.gov](mailto:UPDSecRecon@sco.ca.gov)

Questions regarding EFT  
Remittance: (916) 464-6220  
[UPDSCOEFt@sco.ca.gov](mailto:UPDSCOEFt@sco.ca.gov)

Please send your newsletter comments, ideas, or concerns to: [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov)